

Massachusetts Auto Body Labor Rate Committee,

Congratulations for being appointed to the (long overdue) Special Commission on Auto Body Rates.

As a thirty five year co-owner of Dillon Chevrolet, a dealership with an auto body shop department since 1962, I have some thoughts and observations about the efforts that need to be addressed in order to get the lowest auto body rate in the union out of the bottom of the barrel.

Everything goes through the Hourly Rate for us in the world of collision repair, as it does for all service based businesses. Our salaries, our health insurance, our employee benefits, our rent, our heat, our lights and our utilities. With a ceiling of about \$40.00 per hour for auto body repair/ \$ 20.00 per hour paint & material, there is not a lot left over when you consider the average rate of \$26.00 p/h for an auto body technician. Additionally our compliance, our equipment and our training are afforded through the hourly rate as well. In my opinion there has been a lot of sacrifice and short cuts made by many shops over the last decade when it comes to compliance standards and upgrading the needed equipment to perform quality repairs. As a result of this low rate pressure that has been forced upon Massachusetts' auto body shops, I believe that many shops have been sliding backwards in terms of health and longevity.

In my opinion, the low hourly rate for auto body shops in Mass has had a negative effect on our youth, our next generation of body technicians. The word in the halls of our tech schools is to avoid the auto body trade, for there is no up-side to the career path. The pay is too low and there is no room for growth. The source to this dismal perspective is directly from our present day auto body tech's themselves - the same people that went through the same trade schools that these kids are presently attending; fathers, uncles and close friends that are trapped in their low paying trade. As you know, we are experiencing this work force gap already. Personally, I have been looking for a Body Shop Manager for our body shop, a shop that has been operating for nearly 60 years, for the last three months. The applicant pool is extremely limited, no surprise, and the few applicants that applied were late in their careers. At some point, in order to turn this trend around, we need to take a lead in supporting our trades.

Also, considering all of the hoops that we go through to accommodate a customer convenient insurance program such as a "Drive" program, or a "Preferred Vendor" program, we should be eligible for more on an hourly basis. In order to participate in one of these customer convenience programs we agree to subscribe to expensive monthly software packages, write all of our own estimates, usually under \$5k, upload all the parts and labor prices, shop for parts on Collision Link (another software subscription expense) and forfeit storage fees. Essentially, we are now doing the work of the insurance appraiser and allowing the insured vehicles to park on our lots for free.

I would say that most dealership body shops, due to the limited hourly retail rate, are not profitable on their own and are supported by other departments. The average "mom and pop" body shop is not profitable. It seems that the future may be with the collision center model which, in my opinion, is putting a lot of eggs into one basket for a community. This model will limit the choices for people to get body work performed and it will be very disruptive if the only collision shop for miles closes for whatever reason.

The oppression applied to our auto body trade by the businesses with the most resources, our insurance companies, has gone on long enough. It is time for a change, a change for a fair and respectable hourly rate for our hard working tradesmen and in Massachusetts.

Lastly, if for no other reason, let embarrassment of having the lowest rate in the union be the driving factor to raise our Massachusetts Auto Body Labor Rate to a RESPECTABLE amount.

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President

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